

**USACE FINANCE CENTER
BIWEEKLY REPORT
PERIOD ENDING 24 June 2005**

I. CEFMS:

A. We made the following redesign and other Standard General Ledger changes that are necessary for USACE to be CFO compliant:

- We tested and verified the accuracy of the general ledger correlations for the revolving fund labor payroll module. We are reviewing the general ledger recon reports to determine if we have created any imbalances on a daily basis. We also provided information to the disbursing team for the general ledger changes involved in disbursing labor transactions.
- We are in the midst of redesigning the non pass back appropriation refund billing and collection process. Our changes are based on treasury general ledger accounts (GLAC) correlations and DoD regulations to remove the update of budgetary resources from the billing process to the certified collection process. Guidance also requires the recognition of the fiscal year the appropriation refund disbursement was processed. This will require a user to enter the fiscal year of disbursement when creating an appropriation refund bill. The redesign also includes the automatic re-obligation for the appropriation refund bill obligation when the bill has been certified as collected. This change will eliminate the current design of increasing the available funds at the funding account and the necessity of the user to manually re-obligate the funds.
- We developed non-labor accounts payable general ledger correlations for trust funds and special funds so that general ledger accounts 3100 and 5700 would not be updated. We also made programming changes necessary to both build these correlations and record these transactions when accounts payables are recorded. We developed a test plan for this change and assigned responsibilities for testing the new programming and correlations. Testing was completed and the programming changes were deployed to all USACE activities. The newly developed general ledger correlations will be deployed 1 Oct 05.
- We notified the appropriate UFC personnel that HQ Data Manager table 10.81 (Appropriation Departments/Symbols/Fiscal Year maintenance Screen) would need to be updated to reclassify each applicable department/fiscal year/symbol as a trust fund or special fund so that the reclassified funds will be fielded as a part of the year-end process. This will help to ensure that the new trust fund and special fund correlations will be effective 1 Oct 05.

- We completed testing for Shops and Facilities Functionality, and Revolving Fund and Civil Warehouse functionality for the new special fund and trust fund general ledger correlations and the new database procedure for accounts payable that replaced in-line code. Testing for appropriation refunds will be completed when the programming has been completed.

B. We continue to respond to customer inquiries regarding the CEFMS labor cross charge process. We researched labor and payroll data and answered questions for in-house labor and time and attendance. We also worked with Problem Report points of contact in resolving problems for specific labor issues, and submitted CEFMS changes, when warranted.

C. We completed a revision to the contract and credit card disbursing programs for the progress display screens. Some USACE activities were receiving an error status on the update screen when the program was actually still in progress.

D. We completed testing on the Intra-governmental Payment and Collection (IPAC) File Generation Program to allow for large dollar values on a single customer order bill. One USACE activity had a one month billing of \$25,297,462 on a single customer order. The program could not properly total that particular bill and recorded it on the IPAC File as \$ -17,652,210. The change will be phased in for the 1 Jul 05 bills.

E. We corrected several miscellaneous problems in the Disbursing Division at the UFC during this reporting period. On 14 Jun 05, the database link going from UFC to a USACE activity was inoperable and checks could not be pulled into the UFC database. The problem was corrected and we verified the use of the link prior to notifying the UFC. On 15 Jun 05, UFC lost power to their building while a user was generating an IPAC file, causing the file to have no records in it. We wrote a script to reset the processing flags so they could re-generate the file. Further, we created a check number sequencer for USACE activity U1 (Topographic Engineering Center) for disbursements to be processed. There have been no disbursements on this database this fiscal year.

F. We participated in a teleconference call with the Intra-Governmental Transaction System (IGTS) Project Office on 17 Jun 05. They provided an update on the Standard Financial Information Structure (SFIS) financial management system, which is one of the five functional areas to be included in the new Enterprise Solution, called General Fund Enterprise Business System (GFEBS) for the Department of Army. To date, 65 data elements have been established, mostly for financial reporting. Teams are currently working on categorizing all legacy systems, as either category 'A' systems that will be updated to support SFIS, older category 'B' systems that

will use crosswalks, and new category 'C' system, that will receive guidance to support SFIS. All of these Enterprise Solutions will use a U.S. Standard General Ledger (USSGL) Transaction Library, which will apply a set of general ledger updates based on the business event.

G. We developed a new query to run across all databases which identifies active government employees with an assigned timekeeper code on more than one database. Emails will be automatically generated and sent to the appropriate customer service representative for corrective action. This query was needed to prevent problems with P2 interfaces, as well as possible duplicate time and attendance transactions. Since the query was released, duplicate time and attendance notifications have been greatly reduced.

H. We added a 'Fully Collected' date to reimbursable funding accounts to identify when the total funding account amount has been collected from a customer. A reimbursable funding account is considered fully collected when there are no accounts receivables for the funding account. Additionally, customer orders will not be considered financially complete until all customer order funding accounts have been fully collected.

I. We added an 'Over-certified' date to the funding account to identify when a funding account was initially placed in a negative funds position to permit USACE activities to determine how long a funding account has been over-certified. We also developed a new aged over-certified report which will group over-certified funding accounts by age (0 to 30 days, 31 to 60 days, 61 to 90 days and over 90 days). The report can be generated for all over-certified funding accounts or by funding account responsible employee. This will permit USACE activities to better identify, manage and control over-certified funding accounts.

J. We added a Reimbursable/Direct Fund Cite Reference Number to the Customer Order process. This field will be used to link a customer's direct fund cite financed customer order to a related reimbursable financed customer order for reporting purposes. The Monthly Progress/Status Funding and Cost Report will use this link to provide more comprehensive information to the customer and permit USACE activities to better manage customer orders.

K. We modified cost share programming for sponsor and USACE proportionate share reports to identify cost share projects which are not meeting proportionate share requirements. The HQUSACE Policy Office is provided weekly USACE and Sponsor proportionate share reports which identify cost share projects which are not meeting cost share proportionate share requirements. This permits these requirements to be monitored and corrective action taken.

L. We monitored the recently implemented cost share automated withdrawal program. This program automatically withdraws the sponsor's share of actual cost incurred on a cost share project from the sponsor's cost share advance account and work-in-kind (WIK) account. The automated withdrawal programming was implemented in Apr 05. For the period 12 Apr - 15 Jun, the withdrawal program withdrew \$120 million from sponsor advance accounts and \$2.5 million from sponsor WIK accounts. These withdrawals occurred on a total of 1,096 cost share projects. Additionally, the program financially completed four cost share projects.

M. We updated the asset_wi_types table with the applicable AMSCO code for civil asset work items only. This update was required for current revisions to the Multi-Purpose Power Financial Statements Balance Sheet (mpbalsht). Last month, the asset place-in-service screens were revised to update the AMSCO field when an asset is placed in service. The script back loaded the field for those assets which were placed in service prior to the code changes.

N. We participated in a conference call with HQUSACE (CERM-F) to discuss current policy on depreciation estimates and corrections of depreciation errors. We determined that changes made to the useful life years in accordance with the new USACE Unique Assets Useful Life Table and the DoD FMR Useful Life Table is a change in estimate and all adjustments would be made prospectively. Corrections of errors that occurred when the USACE policy changed from composite service lives by feature to the individual asset straight line method are to be made retroactively. CERM-F asked that the current programming of the Recorded Accumulated Depreciation Verification Report (deprever) be reviewed to ensure additions and betterments and changes in estimates were being reflected correctly. The reports are being reviewed at two USACE activities.

O. We participated in a conference call with HQUSACE (CERM-F) and UFC, Millington, to discuss a change in policy for recording gains and losses on the disposal of assets and capital leases. Currently in CEFMS, when an asset is retired, any applicable disposal costs are recorded against the net realizable value of the asset and proceeds from the sale of an asset are also recorded against the net realizable value. A gain or loss is then recorded at the time of actual disposal and/or sale. Our discussion included identifying costs that should be considered a part of the retirement book value and the period in which a gain or loss should be recorded to determine if programming changes are required. CERM-F will review the current information provided by Millington and Huntsville and make any required policy changes as soon as possible to allow programming to be completed. We that a written memorandum be provided concerning capital leases and the decision by GAO that most USACE recreation leases should be recorded as capital leases and the

assets transferred to the lessees. The proper disclosure of these leases on the USACE Balance Sheet was also discussed. It was disclosed that DoD IG has determined through conversations with the lessees that these leases/assets are being recorded on the lessees' balance sheets. We requested a written memorandum for this information also.

P. Information is being gathered and programming initiated to provide updates for DD Form 1354 - Transfer and Acceptance of Military Real Property and the subsequent transfers of Construction-In-Progress (CIP) to the customer. A completed DD Form 1354 was received from a USACE activity and the required forms and reports are being developed.

II. PROBLEM REPORTS/IMBALANCES:

A. Open problem report inventory:

	<u>This Report</u>	<u>Last Report</u>
Total Problems	729	754
Priority #1 Problems	65	69

We received 173 new problem reports and completed 198 problem reports.

B. Database Imbalances on our 62 Production Sites:

<u># of Imbalances</u>	<u>This Report</u>	<u>Last Report</u>
None	60	57
One	2	4
Two	0	0
Three	0	1
Four	0	0
Five	0	0
Six	0	0
Seven	0	0

III. ACCOUNTING OPERATIONS:

A. NUMBER AND LOCATION OF ONBOARD PERSONNEL

<u>LOCATION</u>	<u>ONBOARD</u>
MILLINGTON:	229
HUNTSVILLE:	24
USACE HQ:	1
DA Interns:	3
TOTAL:	257

B. DISBURSING WORKLOAD DATA

PAYMENT	CURRENT MONTH Jun 01-21	YEAR TO DATE Oct 01-Jun 21
CHECK:		
CHECKS ISSUED	7,921	101,046
PERCENT OF TOTAL	8%	11%
DOLLAR AMOUNT	\$66,708,576	\$874,908,908
EFT:		
TRANSFERS MADE	40,263	434,092
PERCENT OF TOTAL	92%	89%
DOLLAR AMOUNT	\$1,607,339,314	\$13,839,426,932

*percentages adjusted for utility checks which do not have to participate in EFT.

IV. OTHER UFC ISSUES:

A. On 20 Jun 05, we participated in the COBUG teleconference conducted by HQUSACE (CERM-B). Many useful topics were covered including potential impacts of the IM/IT competition, change in funding of GSA rents, cash balances and Revolving Fund obligation authority, regionalized overhead rates and national effective rate, the mandated ten percent reduction in overhead rates, and ongoing updates to the FY06 Consolidated Command Guidance.

B. On 21 Jun 05, we completed the second phase of the Joint Review Program for FY05 based on records as of 31 May. The review covered a total amount of about \$180M in undelivered orders, accounts payable, customer orders, and commitments. We utilized the new CEFMS role for recording confirmation of the completed review, and we submitted the review results through CEEMIS for the first time.

C. On 15 Jun 05, we participated in the teleconference conducted by HQUSACE (CERM-B) on the FY06 budget submission for ED&M. Each activity discussed the basis for individual categories of cost where there were wide variances from the average for the cost category. Also discussed were the anticipated significant shortfalls in both General Expense and Operations and Maintenance, Army funding.

D. The week of 20-24 June, nine of our developmental accountants attended the Intern Leadership Development Course conducted locally by the Center for Army Leadership. The training had no tuition cost and will benefit these accountants as they continue to develop essential skills to become future leaders at the UFC.

E. We developed estimated FY06 UFC support costs to be billed to each USACE activity and provided the distribution to HQUSACE for inclusion in the Consolidated Command Guidance. Based on May 04 through Apr 05 transaction counts, we also updated Automated Information System projected billings to USACE activities for CEFMS and CEEMIS and provided this to HQUSACE (CERM-?) for fiscal years 2006, 2007, and 2008.

F. The United States Department of Agriculture Forest Service announced the award of a contract on 17 Jun 05 to provide a single, interagency federal recreation information and reservation service called the National Recreation Reservation Service (NRRS). The three and a half-year, performance-based contract was awarded to ReserveAmerica of Ballston Spa, N.Y. The new service is part of the President's E-Gov Recreation One-Stop Initiative and will offer one-stop shopping to the public for a wide range of federal recreation areas, facilities and opportunities. Participating agencies will include the USDA Forest Service, the Department of Interior National Park Service, Bureau of Land Management and Bureau of Reclamation, and the U.S. Army Corps of Engineers. Meetings will begin shortly between the inter-agency financial management teams to determine operating procedures. One of the current key issues is the methodology that will be used in processing collections thru ReserveAmerica. The USACE position is the use of one Agency Location Code (ALC) by NRRS for collections. Currently, NRRS transfers funds collected in their one ALC to USACE via IPAC on a monthly basis. Our position is a continuation of this process. Based on their current processes, it appears that the National Park Service is strongly advocating multiple ALCs despite the excessive costs associated with their use.

G. UFC participated in the DFAS Accounts Receivable Workshop held in Denver on 7-9 Jun 05. Discussions included the use of interfund and the Defense Cash Accountability System (DCAS) versus the Intra-governmental Payment and Collection (IPAC)/MIPR process. USACE currently uses the IPAC/MIPR for the majority of the reimbursable billings. Discussions also included the following proposed changes to the FMR: that delinquency start on the first day after due date, as day one delinquent vice the current 31 days; and that the buyer be required to submit billing disputes in writing within 60 days of billing or otherwise be charged, with no reversal of the charge authorized.

H. On 21 Jun 05, UFC personnel participated in a DFAS conference call for determining the allowance for doubtful accounts figures used in the financial statements. DFAS has organized a working group to look at the methods the various agencies use to determine the calculation for bad debt expense. The tasking is to establish consistency between the agencies in the methodology used in establishing the allowance for doubtful accounts. Discussions

included unique issues for various agencies including USACE water storage debts. Additional meetings are planned for more in depth discussions.

I. The Travel Division is processing PCS vouchers received on 14 Jun 05.

J. We visited the Seattle District (CENWS) and provided onsite SQL Training for 36 students in 4 classes. The difference in training onsite as opposed to having the same students attend training at the UFC was a savings of about \$35,000 for NWS!

K We have repeatedly stated our concerns to DFAS about our inability to see ALL of our data processed at DFAS and stored in the DFAS Corporate Database/DFAS Corporate Warehouse (DCD/DCW). We requested SQL Query capability to remedy the problem and eventually received access to COGNOS. We have spent some time trying to see if COGNOS would be helpful. Initial observation is that what we have been provided is extremely slow, cumbersome, and does not seem to give us the capability we need.

L. One of our Accountants, Roberta West, deployed to the Gulf Region Division (GRD) effective 26 Jun 05. This is the first deployment for the UFC.

M. We conducted a teleconference with DFAS Denver regarding processing Air Force transactions. DFAS Denver wants to streamline the USACE disbursement process directly to the USACE Finance Center and not route them thru the Defense Cash Accounting System (DCAS). DFAS Denver determined the most efficient way to do this would be to IPAC everything and discontinue the use of DCAS. During this teleconference, DFAS stated that DFAS Indianapolis will be issuing a policy memo requiring that all intra-governmental transactions be processed through IPAC. DFAS also stated that they would try to persuade the Army Budget Office (ABO) to issue the same policy memo.

N. We conducted a teleconference with Don Farrow, Army Budget Office (ABO). He asked how USACE calculates the 6-month foreign currency disbursement estimate that his office is provided. We told him all USACE activities apply a percentage to their foreign currency unliquidated obligations. Army Budget is trying to estimate the FY 2005 dollars that will be required to cover the following foreign currency flux accounts managed by the COE: 0725/7025, 0720/7020, and 2050. Flux expenditures continue to be very high, and ABO does not want to have an anti-deficiency violation for the flux accounts.

O. The CEEMIS DITSCAP is projected to be completed by the end of July. The CEFMS DITSCAP was completed in FY 05.